

*Best Practices for Sales Development:*

## **Turning Leads Into Opportunities**

The sales environment of the Internet has created big changes for sales development, as digital and automated marketing tactics generate a flood of new information for both customers and sales development reps. When it comes to discovering and qualifying the leads that convert to sales, however, nothing replaces the human touch. This e-book presents real-world, proven strategies from Five9, a cloud contact software firm, and Conversica, a provider of lead engagement software, connecting Internet-age sales innovations with time-tested sales expertise.

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## What is Sales Development?

Sales development – sometimes called business development or lead development – goes beyond traditional prospecting by providing a framework to more effectively create and close sales opportunities. The most successful sales organizations, whether they are B2B or B2C, will divide their sales team into specialized roles of sales development reps and closers. But this goes beyond the inside sales and call center models. Today's sales development reps use a combination of data analytics, email nurturing and phone prospecting to identify, engage and qualify leads that fit your ideal customer profile. This way, they ensure they get the right people – and only the right people – in front of your closers.

Better yet, by specializing your sales team into sales development reps and closers, closing rates typically increase by 7 percent, according to Forbes magazine. Sales people no longer have to spend their time blindly mining inbound leads and making dozens of phone calls. By focusing only on the leads that are ready and qualified to buy, they close more deals, more quickly, meet their quotas and improve your company's bottom line.

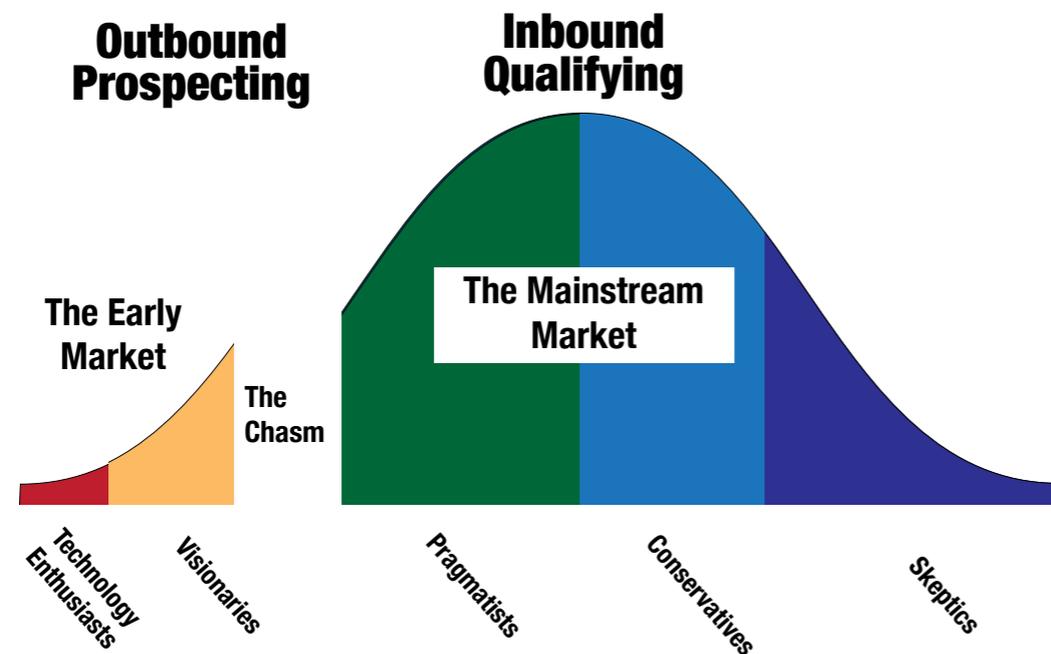
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# Outbound prospecting or inbound qualifying

The best practices for your sales development representatives (SDRs) will depend in part on the type of leads they are pursuing. Most companies rely on a mix: reaching out to prospects who match a particular customer profile and qualifying leads that come through content marketing, free trials and other forms of inbound marketing. The ratio of outbound to inbound sales development will depend on the business profile.

## Other factors

- Company stage: from creating a market to expanding an established base
- Business model: opportunities to attract prospects with freemiums or free trials
- Primary prospect base: early adopters or the mainstream market



## Inbound vs. outbound: Two types of fishing, two different tools

**Fishing with a net:** Five9 is working within an established category, developing next generation telephone systems. They have built a world-class inbound sales funnel of prospects ready to replace their existing systems with Five9. Their challenge is to sort through the volume and diversity of leads coming through the inbound funnel.

**Fishing with a spear:** Conversica is a newer business working within an emerging category, artificial intelligence (AI) for sales. Most potential Conversica customers are not aware there is a solution available for their problems, and many don't know that AI is a viable method for sales development. Their challenge is to reach out to targeted companies who fit a particular profile.



# Best practices for outbound prospecting

A successful outbound prospecting program requires putting key definitions in place, well before you pick up the phone.

## Define your ideal customer profile

Your organization's SDRs must have a clear view of their ideal customer profile (ICP). SDRs should be able to get into the minds of their prospects to understand the value of your product to that customer, personally and professionally. SDRs must know how they can solve customers' problems and get them where they want to go.

## Define your target accounts

This list will evolve over time, but you can start now to train SDRs how to identify accounts that will fit with your value proposition. While a script isn't necessary, SDRs can be equipped with essential questions and a decision tree that helps them assess whether an account is worth spending time on. Disqualifying a lead is as important as qualifying one, from a productivity standpoint.

## Define a qualified lead

All players in the sales pipeline must agree on a clear understanding of where development ends and sales begins. Too often, an SDR will hesitate to qualify a lead sufficiently for fear of stepping on toes, or the SDR may engage too far so that there's no case for handing the lead over to sales. An established, agreed-upon qualification process makes SDRs, sales reps and customers feel more confident.



## Should your firm rely on outbound prospecting?

Customers have become harder and harder to reach. Email from unknown addresses goes to the spam folder, and calls from an unknown caller go straight to voice mail. Is outbound prospecting worth it?

Kristina McMillan, director of sales development at Five9, says yes, if:

- You can hit best practices targets. An outbound SDR should make 50-60 calls a day, generating 8-10 qualified opportunities per month, leading to a close rate of 10-15 percent. If you can make those metrics, outbound prospecting makes sense for your business.
- You don't have a choice. A smaller company at the stage of establishing product/market fit or an established company not driving enough prospects into the inbound pipeline will have to use outbound prospecting. For companies in this category, using best practices to improve conversion metrics is even more important.

# Best practices for inbound qualifying

Inbound leads will already have some level of interest in your company and your solution, but before the leads connect with a sales rep, you still need to assess their readiness to purchase.

The fundamentals of outbound prospecting also apply to qualifying inbound leads. You'll need to define the ICP, define the target account strategy, and define the qualification criteria and process for handing a lead to a sales rep.

The metrics for inbound SDRs should look a little different. With best practices, an inbound SDR should make 80-100 calls per day, generating 10-15 qualified opportunities per month and leading to a close rate of 20-30 percent.

Five9 has used several best practices to help SDRs target top quality leads.

- **A top-notch demand generation team:** Five9's marketing team helped implement a scoring system focused on prospects with a higher likelihood of converting.
- **Content marketing:** Resources like white papers, case studies, webinars and infographics allow Five9 to nurture lower quality leads with limited SDR investment. Over time, content marketing can cultivate latent interest until a prospect is ready to engage.
- **Artificial intelligence:** Five9 turned to Conversica for an automated virtual assistant, powered by AI technology, to scale inbound resources more cost effectively. The assistant handles first contacts with inbound leads, beginning the qualifying process and allowing SDRs to spend more time on the core of their job, talking to prospects.



| Activity                          | Outbound SDRs | Inbound SDRs  |
|-----------------------------------|---------------|---------------|
| Calls per day                     | 50-60         | 80-100        |
| Qualified opportunities per month | 8-10          | 10-15         |
| Close rate                        | 10-15 percent | 20-30 percent |

## Maximizing inbound leads at Five9

When McMillan began working with Five9 in 2013, all sales development began with inbound leads, especially leads from search engine optimization (SEO) efforts and pay-per-click advertising.

*"Our biggest challenge was that the volume of leads was so great that our SDRs were wasting a ton of time sifting through the leads trying to figure out which ones were meaningful prospects."*

-- Kristina McMillan, Five9

Five9 implemented Conversica's AI lead engagement solution to qualify all inbound leads, freeing up the SDRs for more target account prospecting.

# Persistence pays off

Numbers don't lie: it takes a lot of phone calls—and a lot of staff hours—to generate a profitable yield rate, even with inbound leads.

- ▶ 79 percent of marketing leads never result in a sale.<sup>i</sup>
- ▶ Only 27 percent of leads receive a timely call or information from a rep.<sup>ii</sup>
- ▶ Reps can spend 80 percent of their time prospecting and only 20 percent closing.<sup>iii</sup>
- ▶ 80 percent of sales are made on the 5th-12th contact with a prospect but only 12 percent of reps make more than 3 contacts.<sup>iv</sup>
- ▶ Only 2 percent of cold calls lead to an appointment.<sup>v</sup>

This happens for several reasons. They may have been low-quality leads generated by an unusual event or spike in traffic. An increase in lead quantity sometimes seems to correspond with a decrease in lead quality.

On the other hand, you might have a flood of leads you just don't have time to nurture, so they move on. If you are getting a steady stream of new leads, even the most persistent SDR will not have the opportunity to get past the second or third call. That all-important first contact attempt on a new lead will always take priority. It's frustrating for SDRs and prospects alike when real buyers fall through the cracks.



## Persistent inbound lead follow-up at Five9

*"Sometimes our prospects will say, 'thanks for being so persistent, I've had heads down on this data center project but now it's time for me to think about engaging with you.' And we find that people are actually thankful that we've been persistent enough to follow up, so when their buying window opens we are still top of mind."*

-- Kristina McMillan, Five9

# Sales specialization to ramp sales

A successful sales team specializes in distinct core sales roles to maximize productivity at each stage of the sales process.



**Account managers:** Experienced salespeople focused on new customer onboarding, customer success, contract renewals and upselling, earning \$150-175K yearly<sup>vi</sup>

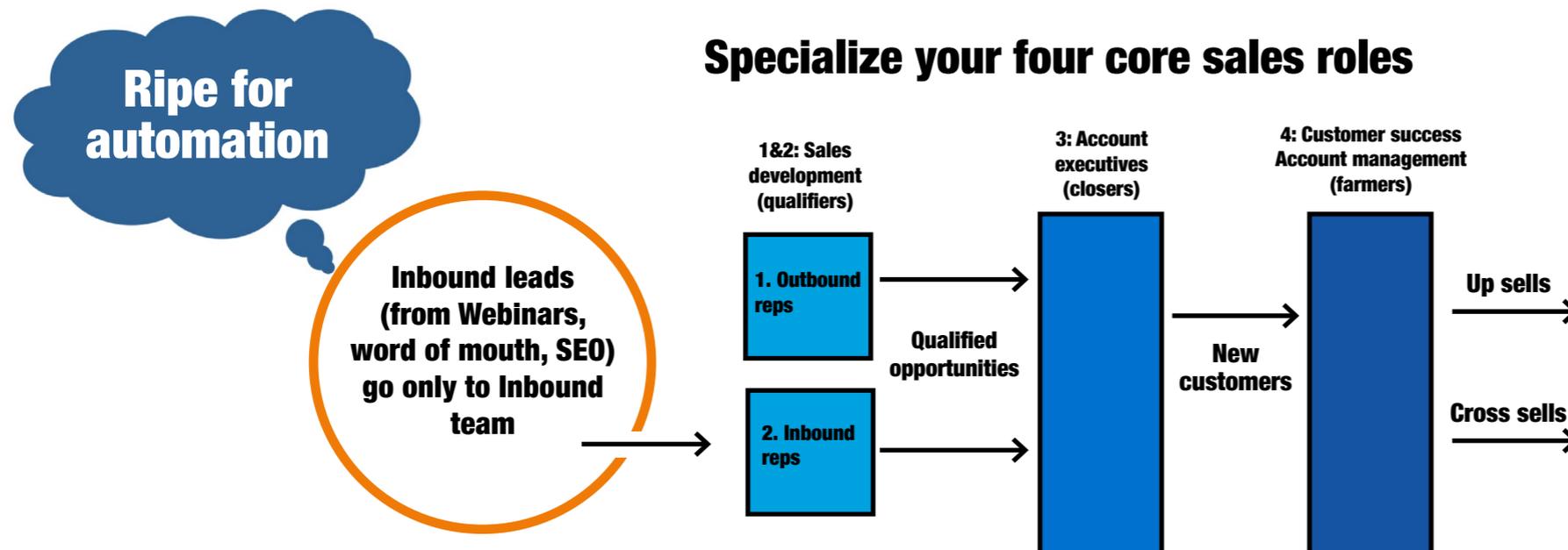


**Account reps:** Skilled sales closers selling to qualified leads, typically with 2-10 years of sales experience and earning \$140-\$160K



**Sales development reps:** Opportunity finders, qualifying leads on BANT criteria before passing them on to account reps, with 1-3 years sales experience and earning \$40-50K base with \$30-\$40K bonus for lead generation

As the illustration shows below, SDRs are the funnel through which customers come to account reps and account managers, but they're also the least experienced members of the team. Adding a data-driven, automated sales tool such as Conversica to inbound lead qualification enables the sales team to onboard, train and establish a common process for sales development.



Source: Predictable revenue, Aaron Ross, 2011

## BANT criteria

SDRs qualify prospects using a set of scoring criteria first developed by IBM, and abbreviated as BANT.

### Budget:

Does the lead have the funds to buy the solution?

### Authority:

Is the contact the person with the authority to buy?

### Need:

Does your value proposition fill a current need for the lead?

### Timing:

Is the lead ready to buy now?

# Managing sales development

Sales development is a revolving door for sales talent. By the time you get a new SDR trained and producing, she's out the door.

## Turnover and training by the numbers

- ▶ Average tenure of an SDR: 14.2 months<sup>vii</sup>
- ▶ Tenure of a non-performing SDR: 6 months
- ▶ Tenure of a top-performing SDR: 10-12 months
- ▶ Average training period for an SDR: 3 months
- ▶ Productive time for the average SDR: less than one year

The profile of a sales development rep is typically a Millennial with some prior sales or recruiting experience and demonstrated performance and discipline in a competitive arena. These team members will thrive with a great deal of autonomy so long as they are meeting activity thresholds and hitting conversion metrics.

## SDR management at Five9

At Five9, McMillan has segmented the inbound and outbound SDR roles for specialization. All new SDRs begin with inbound qualifying and then progress to outbound prospecting based on performance. Outbound SDRs focus on account research, call prep and customized messaging. The challenge for inbound SDRs is sheer volume, which can overwhelm even the most energetic new recruits. Five9 implemented Conversica to reduce the time and effort of contacting and engaging inbound leads so their inbound SDRs can focus on having quality conversations that boost their productivity and motivation.

Retaining ambitious, top-performing SDRs increasingly depends on supporting their career development. SDRs who are on their way up are focused not only on building sales skills but also on mastering key sales tools. Five9 nurtures SDRs by providing a strong sales development tool stack, including Conversica, ToutApp, LinkedIn Sales Navigator and more.



*“As a manager you have to have a solid process for hiring, training and getting the most productivity from your team for the time you have them.”*

*-- Kristina McMillan, Five9*

# Incorporating artificial intelligence

Aware that most SDRs give up too early, McMillan engaged Conversica to provide AI sales support for her team at Five9.

## Why Conversica?

### Provides a scalable human touch for first contact

Reaching a prospect first, before a competitor, is one of the most important factors when converting leads. Five9's virtual sales assistant ensures each new lead is contacted promptly.

### Engages leads in real time

Autoresponders are impersonal, one-way communication tools that typically don't require a response from a lead. AI technology goes beyond traditional automation tools, initiating a natural dialogue that elicits usable data.

### Doesn't give up on leads

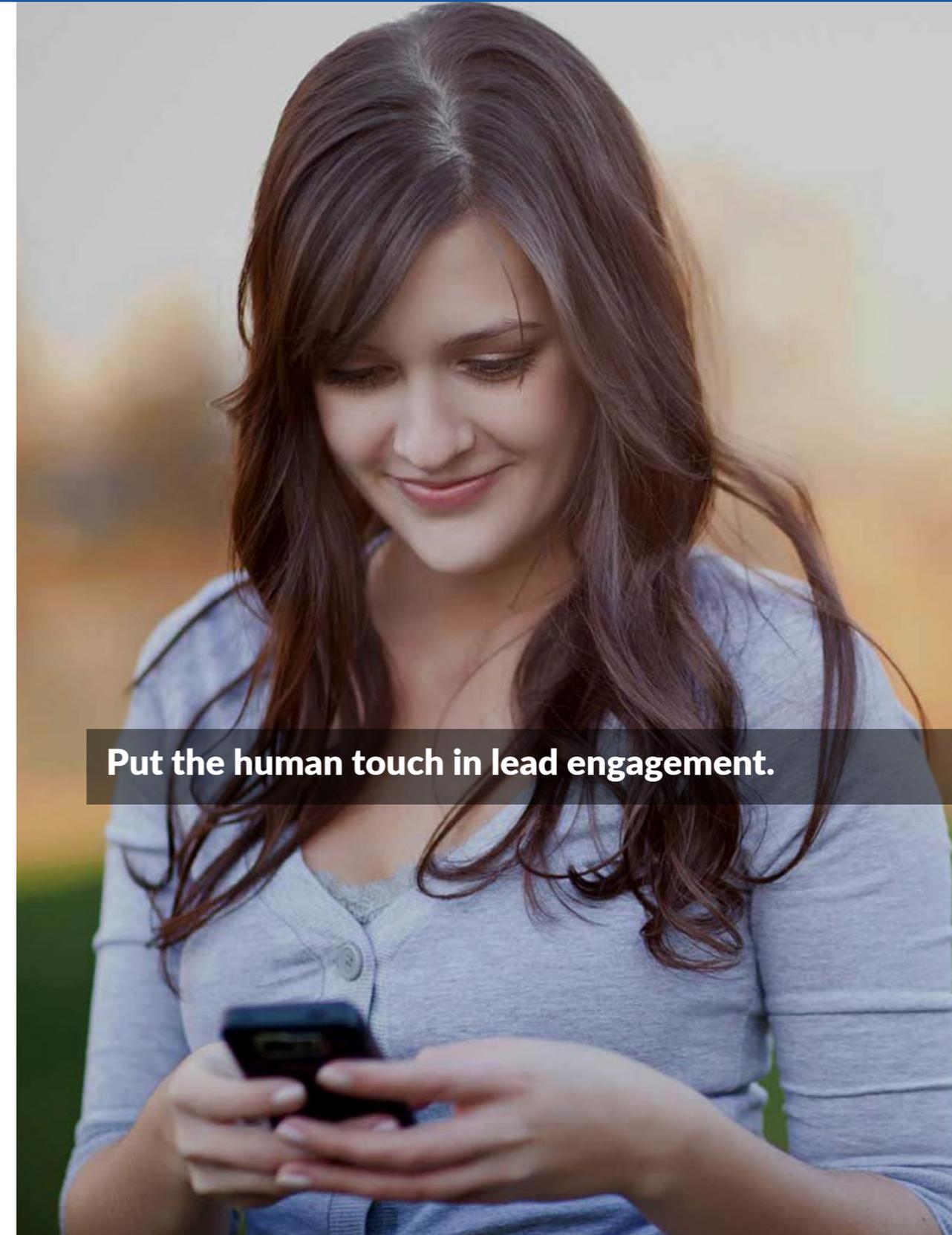
Five9's virtual assistant will follow up with the sixth, seventh, or eighth contact. No more leads will slip away when either the customer or the SDR is overwhelmed. Managers can be confident that the SDR team is meeting Service Level Agreement (SLA) commitments and aligning their process with best practices.

### Eliminates grunt work for SDRs

Keeping up with inbound volume puts SDRs at high risk of burnout. Administration, list prep and figuring out which lead to call next are tasks that can be streamlined or even eliminated by a virtual assistant.

### Prioritizes leads to engage with sales

The real-time conversation with Five9's AI assistant provides key information about the prospect's reasons for interest, their purchasing timeline and their readiness for further contact.



**Put the human touch in lead engagement.**

# AI lead engagement in action

In this example, a prospect has downloaded content from the website, initiating a conversation with the virtual sales assistant.

## First touch

The lead has accessed a free trial. Regardless of time of day or number of requests, the virtual assistant makes quick contact in a brief, conversational email that invites a two-way exchange. The Conversica solution makes sure the first connection happens in a timely fashion without piling on the SDR workload.

## Connecting to sales

Once the virtual assistant makes contact—whether on the first, fifth, or ninth try—AI technology interprets the mood and intent of the reply, capturing personal details like the lead’s phone number that allow an individualized reply. The natural conversation draws out the lead’s interest level, as well as the best time and place to contact them. By the time the lead comes to the sales team, much of the crucial discovery work is complete.

## Follow up

In addition to delivering qualifying data on leads, Conversica gathers information on the sales process from the customer’s perspective. The collected information gives sales managers a tool for optimizing responses to inquiries and increasing customer satisfaction.



### MESSAGES FROM CONVERSICA

Sunday, 6:36 p.m.

Hi Roger,  
I see that you downloaded starter edition, and I wanted to thank you for that. I'd like to talk to you about some of the upgrade options. Are you available to speak during regular business hours?

Thanks a bunch,  
Alex

Sunday, 7:43 p.m.

Hi Roger,  
Our sales manager, Mike, would like to give you a call. Is 555-555-5555 the best number to reach you during the day?

Thanks and have a great day,  
Alex

Thursday, 2:15 p.m.

Hi Roger,  
I just wanted to follow up and make sure Mike was able to help you. Did he contact you?

Have a good day,  
Alex

AI-driven email conversations allow you to focus your efforts on contacting leads who have an expressed intent to buy.



### RESPONSES FROM LEAD

Sunday, 7:10 p.m.

Hi Alex,  
I'm in full day meetings Monday and Tuesday but the rest of the week is good.

Thanks,  
Roger

Monday, 8:51 a.m.

Alex,  
My cell is 333-333-3333. That's probably better. It's always with me.

Roger



### ALERT SALES REPRESENTATIVE

Thursday, 5:17 p.m.

Hi Alex,  
Yes he did. We spoke yesterday afternoon, and he answered all my questions about the upgrade. Thanks for all your help.

Roger

# Best practice resources

You wouldn't go hunting with a club, and when today's schoolkids use a tablet, they don't need a pencil or chalk. The sales environment has evolved too, and sales tools are evolving with it. Conversica has created the next generation of sales tools: a revolutionary lead engagement platform for sales development and sales process analysis. Plus, Conversica integrates easily with Salesforce, Marketo, Pardot and Eloqua to increase the effectiveness and ROI of your customer relationship management (CRM) and marketing automation solutions.

See for yourself how Conversica is revolutionizing sales conversion management. To learn more call +1 (888) 778 1004, email [sales@conversica.com](mailto:sales@conversica.com) or visit [www.conversica.com](http://www.conversica.com) to set up a product demonstration.

Additional resources

**Selling Power:** [motivation and expert sales tactics for top performance](#)

**Sales Hacker:** [B2B strategies and technologies from sales industry veterans](#)

**SaaStr:** [a community and information clearinghouse for Software-as-a-Service \(SaaS\) entrepreneurs](#)

**AA-ISP:** [research, leadership and career development for inside sales professionals](#)

**TOPO:** [analysis for demand gen, sales development, inside sales and more](#)



# About the contributors



## About Conversica

Conversica is the only provider of lead engagement software for marketing, inside sales and sales organizations. Presented as a customized online persona, Conversica engages and nurtures leads through natural email exchanges until the lead converts into an opportunity or opts out. Conversica is used by more than 8,000 sales representatives worldwide and has assisted in the creation of more than US\$8 billion in sales revenue. Founded in 2007, Conversica is a portfolio company of Kennet Partners and is headquartered in Foster City, California. To learn more, visit [www.conversica.com](http://www.conversica.com) and follow us on [LinkedIn](#), [Facebook](#), [Google+](#), [YouTube](#), and [@myconversica](#) on Twitter.



## About Five9

Five9 is the leading provider of cloud contact center software, bringing the power of the cloud to more than 1,800 customers worldwide and facilitating more than three billion customer interactions annually. Since 2001, Five9 has pioneered the cloud delivery model, helping contact centers transition from premise-based software to the cloud. Five9 helps contact centers create exceptional customer experiences, increase productivity and boost revenue. For more information visit [www.five9.com](http://www.five9.com), and follow Five9 on [LinkedIn](#), [Facebook](#), [Google+](#) and [@Five9](#) on Twitter.

- i Marketing Sherpa, <http://www.hubspot.com/marketing-statistics>
- ii Conversica
- iii AA-ISP; Mind Capture Group
- iv Gleanster, <http://www.hubspot.com/marketing-statistics>
- v Leap Job
- vi Salary and experience levels based on norms in the San Francisco Bay area.
- vii TOPO Research, [www.topohq.com](http://www.topohq.com)

#### About Conversica

Conversica is the leading provider of lead engagement software for marketing, inside sales and sales organizations. Driven by artificial intelligence, a custom online persona automatically contacts, engages, nurtures, qualifies and follows up with leads via natural, two-way email conversations until the lead converts into an opportunity or opts out. The AI engine interprets the lead's intention and sentiment based on word classification in the email replies, and extracts key information, such as phone numbers and the best time to call. As a result, enterprises find their next customers more quickly and efficiently, while ensuring no lead is left behind.

Conversica's lead engagement software is used by more than 8,000 sales representatives worldwide and has assisted in the creation of more than US\$8 billion in sales revenue.

Founded in 2007, Conversica is a portfolio company of Kennet Partners and is headquartered in Foster City, California.

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